



U.S. Department of Justice  
**United States Attorney's Office**  
Eastern District of Virginia

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**Via E-Mail**

Richard Yarow, Esq.  
Lindsay McCaslin, Esq.  
Andrew Grindrod, Esq.  
Anthony Gantous, Esq.  
Gregory Matthews, Esq.

**Re:** *United States v. David Alcorn et al.*, 2:19-cr-47

Dear Counsel:

The United States of America hereby provides notice to defendants David Alcorn ("Alcorn"), Aghee William Smith II ("Smith"), Thomas L. Barnett ("Barnett"), and Norma Jean Coffin ("Coffin") of the government's intent to introduce certain evidence at trial. Much of the evidence described below is included in the indictment and/or is intrinsic to the charged offenses and so is not "other acts" evidence subject to the requirements of Federal Rule of Evidence 404(b). In the event that any of the evidence described below implicates Rule 404(b), it will be offered for a proper purpose, *i.e.*, to prove motive, intent, preparation, plan, knowledge, identity, absence of mistake, and lack of accident in reference to the offenses charged in the Indictment.

**Evidence to be Introduced**

The United States may introduce evidence at trial related to the following categories:

- 1) Smartcomm and subsequent lawsuit: Alcorn, Kent Maerki, and others were involved with Smartcomm, but later sued by Smartcomm, along with Janus Spectrum, LLC, in Maricopa County Superior Court on allegations of trade secrets violations and wrongful interference with business relations, among other claims. Smartcomm's allegations relate to the creation and founding of Janus Spectrum LLC by Alcorn and Maerki, and to its business model and value projections, among other relevant items. Smartcomm's founder was a convicted felon, and Smartcomm's business model and sales tactics were in many ways similar to those of Janus Spectrum, LLC.

- 2) Collins Asset Group and other fraudulent investment vehicles: certain defendants, along with conspirators including Bank, were also involved in the sale of other fraudulent investments through several entities, including Sonoqui LLC, Sovereign Asset Group, and FAS Partners. Among other fraudulent investment products, defendants sold interests, via promissory notes, in Collins Asset Group, LLC, which were also the subject of fraud allegations and a class action lawsuit. In a recent settlement of the class action lawsuit, Collins Asset Group agreed to repay to investors \$16 million of the money it received from Diversified Financing LLC and other entities. Additionally, defendants Smith and Barnett sold other fraudulent investment products, including but not limited to WeMonitor Group, LLC, that they were not licensed to sell, and which were not financially appropriate for those individuals, in return for sales commissions. Some of these investments were also the subject of regulatory and other investigations; in addition, many resulted in significant losses to the clients who bought them.
- 3) Dazzle Dental: Smith and others also sold investments in “Dazzle Dental,” a precursor to DSPF, which like the DSPF investment resulted in the loss of money by investors.
- 4) Bankruptcy: Smith and his wife filed a Chapter 7 bankruptcy petition in the Eastern District of California in 2019, E.D. Cal. Bankr. Pet. 19-25091. After the proceedings in bankruptcy court, Smith waived his discharge, and the court denied a discharge for his wife. Certain claims, statements, and filings made during the pendency of that bankruptcy are relevant to the claims in this case, including the fact that with knowledge of a criminal investigation and the likelihood of other lawsuits against him, Smith shredded his client files. Smith also went through a previous bankruptcy reorganization in 1989, which he on at least one occasion failed to disclose on paperwork asking about prior bankruptcies.
- 5) Insurance license investigations: Both Smith and Barnett were investigated by the California Department of Insurance for their sale of non-approved investment products while working as licensed insurance salesmen.
- 6) Fraudulent conveyances and concealment related to real estate: Smith attempted to convey his house to a trust shortly before filing for bankruptcy in order to protect it from potential creditors. Alcorn also attempted to conceal his ownership interest in certain real estate to protect it from potential creditors and regulators. Additionally, Alcorn arranged to receive ongoing payments from Bank by receiving them through an unrelated entity, Stephcourt LLC, controlled by a different individual, which allowed him to conceal that income.
- 7) Tax compliance: Alcorn engaged in tax evasion related to his income during multiple tax years during the charged conspiracy.

All of documents and Jencks Act material concerning these disclosures are publicly available or have been provided previously in discovery.

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Disclosure

Sincerely,

Jessica D. Aber  
United States Attorney

By:

/s/

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Assistant United States Attorneys